

A RESOLUTION BY TRANSPORTATION COMMITTEE AUTHORIZING THE MAYOR TO EXECUTE AN AIRPORT USE LICENSE AGREEMENT WITH TNT AIRWAYS S.A. COVERING ITS OPERATION AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; AND FOR OTHER PURPOSES.

Workflow List:

Martin Clarke	Completed	07/17/2014 4:15 PM
Miguel Southwell	Completed	07/18/2014 10:10 AM
Mayor's Office	Completed	07/18/2014 11:06 AM
Office of Research and Policy Analysis	Completed	07/23/2014 10:20 AM
Transportation Committee	Pending	
Atlanta City Council	Pending	
Mayor's Office	Pending	

Certified by Presiding Officer	Certified by Clerk
Mayor's Action <i>See Authentication Page Attachment</i>	

A RESOLUTION BY TRANSPORTATION COMMITTEE AUTHORIZING THE MAYOR TO EXECUTE AN AIRPORT USE LICENSE AGREEMENT WITH TNT AIRWAYS S.A. COVERING ITS OPERATION AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; AND FOR OTHER PURPOSES.

WHEREAS, TNT Airways S.A. (“Airline”) desires to provide air cargo service from Hartsfield-Jackson Atlanta International Airport (“Airport”); and

WHEREAS, in furtherance of its plan to operate such flights, Airline desires to enter into an Airport Use License Agreement with the City of Atlanta (“City”) as an air cargo carrier serving the Airport; and

WHEREAS, the Aviation General Manager believes that it is in the best interest of the Airport and the City to enter into an Airport Use License Agreement with Airline, as hereinafter set forth, and recommends the execution of such an Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, that the Mayor is hereby authorized to execute on behalf of the City of Atlanta an appropriate Airport Use License Agreement with Airline, which shall contain the following terms, conditions and provisions:

- 1) A term effective as of the date of execution and ending September 20, 2017; provided that either party may terminate the agreement by giving at least 30 days prior written notice to the other party; and
- 2) A landing fee to be computed at the then current landing fee rate, which rate will be applied per 1,000 pounds of the Federal Aviation Administration Maximum Certificated Gross Landing Weight of each aircraft scheduled to land at the Airport. The landing fee rate shall be subject to adjustment from time to time at the discretion of the City acting through its Aviation General Manager. Such adjustments shall be to levels comparable to the landing fee rates charged to similarly classified airlines at the Airport; and
- 3) Such other terms, conditions, and provisions as may be required by City ordinances or Federal regulations or which are otherwise deemed appropriate by the Aviation General Manager.

BE IT FURTHER RESOLVED that the City Attorney is directed to prepare said Agreement for execution by the Mayor.

BE IT FINALLY RESOLVED that said Agreement shall not become binding upon the City of Atlanta, and the City of Atlanta shall incur no obligation nor has liability thereunder until same been signed by the Mayor, attested by the City Clerk and delivered to TNT Airways.



CITY OF ATLANTA

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CITY AUDITOR'S OFFICE

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AUDIT COMMITTEE
Fred Williams, CPA, Chair
Donald T. Penovi, CPA, Vice Chair
Marion Cameron, CPA
Dr. Cheryl Allen, CPA
Ex-Officio: Mayor Kasim Reed

TO: Mayor Reed, President Mitchell, and City Council members

FROM: Fred Williams *Fred Williams*
Chair, Audit Committee

DATE: July 21, 2014

SUBJECT: Performance Audit: Aviation Parking Contract

The report listed above is attached for your review. Feel free to contact Leslie Ward, City Auditor, if you have questions or want to discuss the report.

Cc:

Michael Geisler, Interim Chief Operating Officer, Mayor's Office
Hans Utz, Deputy Chief Operating Officer, Mayor's Office
Thomas Weyandt, Jr., Chief Operating Officer, Mayor's Office
Kristin Wilson, Deputy Chief Operating Officer, Mayor's Office
Candace Byrd, Chief of Staff, Mayor's Office
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Paul Meyer, Airport Operations Director
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J. Anthony Beard, Chief Financial Officer
Gwendolyn Smith, Deputy Chief Financial Officer
John Gaffney, Controller, Department of Finance
Rhonda Dauphin Johnson, Municipal Clerk

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July 21, 2014
Performance Audit: Aviation Parking Contract

Cc:

Tangela Williams, Director, Council Staff

Dexter Chambers, Director, City Council Office of Communications

Alfred Berry, Policy Analyst and Santana Kempson, Policy Analyst, Transportation Committee
Audit Committee



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Marion Cameron, CPA
Dr. Cheryl Allen, CPA
Ex-Officio: Mayor Kasim Reed

TO: Honorable Mayor, City Council President, and members of the City Council

FROM: Leslie Ward, City Auditor 

DATE: July 21, 2014

SUBJECT: Audit: Aviation Parking Contract

The purpose of this memo is to communicate the results our performance audit of the Department of Aviation's management of its contract with Standard Parking to manage lots and decks at Hartsfield-Jackson Atlanta International Airport. Our objective was to answer the following question:

- Are controls in place to effectively manage the Standard Parking contract to limit cost and ensure performance?

We undertook this performance audit because parking is a significant source of airport revenue. Airport parking generated over \$117 million in revenue during fiscal year 2013, about 24% of annual airport operating revenue. We focused our review on the contract terms and the Department of Aviation's controls for ensuring compliance with contract requirements covering performance, expenses, and revenues.

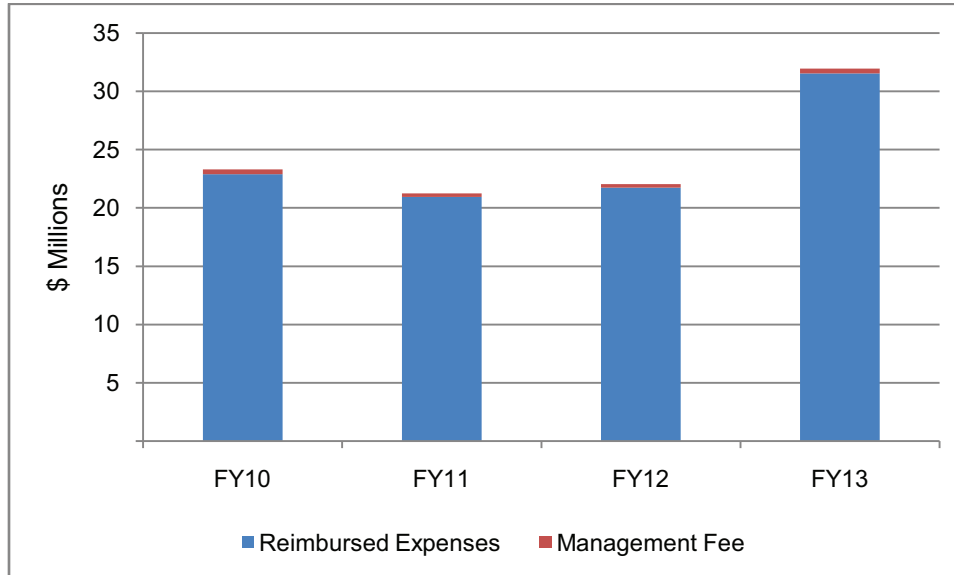
Background

The Department of Aviation has contracted with Standard Parking to run the airport parking operation. The three-year contract was executed in 2009 and contained a single two-year option to renew. The city exercised the final renewal option in October 2012; the contract expires September 30, 2014.

Under the contract, the city pays Standard Parking's allowable expenses plus a specified annual fee. In fiscal year 2013, the city reimbursed Standard Parking close to \$32 million in allowable expenses and paid a management fee of \$420,551 (See Exhibit 1). The city opened

the Maynard Jackson International Terminal in May 2012, which increased parking expenditures.

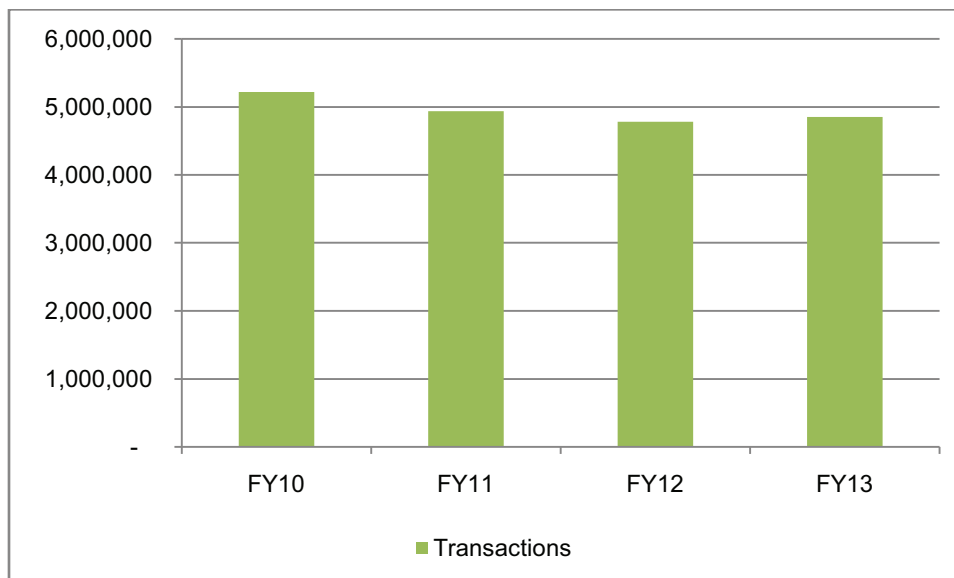
Exhibit 1: Standard Parking's Yearly Management Fees and Operating Expenses



Source: Standard Parking income summaries

The number of parking transactions processed at the airport decreased about 7% between fiscal year 2010 and fiscal year 2013 (see Exhibit 2). Standard Parking processed about 5.2 million transactions in fiscal year 2010 and processed about 4.9 million transactions in fiscal year 2013.

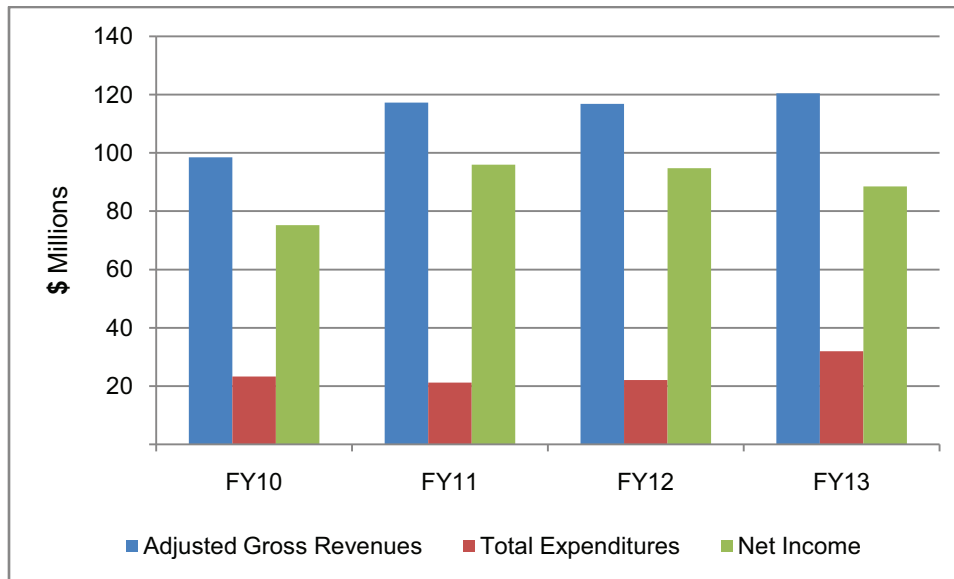
Exhibit 2: Parking Transactions Processed by Fiscal Year



Source: Standard Parking income summaries

While the Department of Aviation raised parking rates in fiscal year 2011, the reduction in parking transactions and increase in expenses have resulted in an 8% decline in net revenue since fiscal year 2011 (see Exhibit 3).

Exhibit 3: Parking Revenues, Expenditures, and Net Income by Fiscal Year



Source: Standard Parking income summaries

The airport has 33,500 parking spaces for the domestic and international terminals, with varying hourly, daily and economy rates. These rates range from \$2 to \$3 an hour, and \$9 to \$36 per day. Standard Parking manages parking and shuttle services. Among its duties are:

- ticketing and cashier functions
- managing traffic, shuttle bus service, and signage
- providing parking for people with disabilities
- performing routine, preventive, and emergency maintenance
- resolving customer complaints
- operating the Parking Revenue Control System to record revenues

The contract establishes customer service standards, has provisions for bonuses based on performance, and has clauses allowing the department and the vendor to collect liquidated damages resulting from a breach of contract.

Aviation Enforces Most Contract Provisions Related to Expenses and Revenues, but Not Performance

The Department of Aviation has designed and implemented control activities to manage 40 of 49 contract provisions related to revenues and expenses. The department has put controls in place to manage only 14 of 38 provisions related to performance and customer service (see Exhibit 4). Appendix A on pages 10-32 contains detailed information about the 87 contract provisions we reviewed. The sections cover financial considerations, theft and shortages,

operating reports, electronic monthly reports, software, liquidated damages, compliments, bonuses, employee screening, shuttle buses, and the operations manual.

Exhibit 4: Summary of Parking Management Control Assessment

Type of Contract Provision	Count	Not Enforced	Partially Enforced	Enforced	Percentage Enforced*
Expense	14	1	0	13	92.9%
Revenue	35	3	5	27	91.4%
Performance	38	20	4	14	47.4%
Total	87	24	9	54	72.4%

*Includes fully and partially enforced provisions

Source: Auditor's analysis

The Department of Aviation has implemented controls to ensure compliance with nearly 93% of the contract provisions regarding expenses. These provisions are intended to ensure that expenses are reasonable and allowable under the contract and encompass items such as budgeting and overtime. The aviation general manager reviews and approves Standard Parking's annual budget. The vendor is required to submit monthly reports for overtime hours and costs. We reviewed a report covering the first three months in fiscal year 2014, and found that overtime costs were below the contract limit of 3%. Additional department expense control activities include:

- requiring Standard Parking to tie each expense back to a budgeted item
- reviewing the description of completed services
- reviewing invoice numbers, dates, dollar amounts, and line items
- stamping all invoices and noting dates of payment upon receipt to prevent duplicate payments
- authorizing payments to the vendor by the parking manager
- confirming wire transfers

The contract requires Standard Parking to submit a report detailing the employee separations and new hires. This information was not submitted with the Certified Monthly Statement. The Certified Monthly Statement is a key control in the contract that requires Standard Parking's principal finance officer or authorized designee to certify that the information required by the city is complete and correct.

The Department of Aviation has implemented controls to ensure compliance with over 91% of the contract provisions regarding revenue. Contract provisions for revenue require Standard Parking to establish policies for the chain of custody over cash, make regular transfers to the department's account, and provide information to the department to allow timely reconciliation of deposits and activity. Standard Parking must maintain a commercial account at a banking institution approved by the department. Standard Parking created policies covering the chain of custody for cash. Among these are procedures covering verification and recording of cash pickups, payment logs, and money bag transfers.

Standard Parking is required to submit an activity report by established deadlines for revenue, expenses, and credit cards. The Department of Aviation uses this information to

reconcile cash receipts daily. The senior financial analyst reviews and analyzes the revenue summaries, and compares them to data generated by the Parking Revenue Control Systems used to process customer payments. The analyst reconciles the daily deposits that Standard Parking puts into the department's designated account, to ensure that the vendor receives same-day credit. The analyst prepares a monthly report documenting deposit activity. A manager reviews the daily reconciliations and acknowledges this final review by signature and date.

The department did not enforce three contract provisions for money-loss prevention and revenue recording. These included:

- limiting cashier drawers to no more than \$500
- recording deposits on a three-part deposit slip, which are no longer available from the bank, and
- summarizing transactions based on established parking rate structures.

In our unannounced inspections of six booths, we found one cashier holding more than \$500. We also reviewed eight days of Standard Parking's cash-pickup logs. During this period, managers performed 254 cash pickups; 43 (17%) were greater than \$500. The highest amount collected was \$1,450.

Although most of the contract provisions relate to performance, the Department of Aviation has performed control activities in place to manage only 47% of the performance provisions. Performance standards are aimed at ensuring quality customer service, such as making sure motorists have no more than a five-minute delay at parking exits, adequately staffing exit booths, ensuring that no one waits for more than five minutes for a shuttle bus outside a terminal or three minutes in a parking lot, responding to complaints, and providing clear, accurate signage inside and outside the terminal. Sixteen of the 20 unenforced performance provisions relate to the assessment of liquidated damages. These provisions relate to the quality of service that the city expects to be provided under the agreement and allow for the department to request damages when certain standards are not met. The department decided not to assess damages during the contract term; therefore we concluded that these provisions were not enforced. Assessment of damages is not required under the contract and Department of Aviation staff told us that the department has access to information that allows the department to monitor performance.

We tested 10 of 16 liquidated damages provisions that Standard Parking and the department agreed would decrease quality of service if not performed. Standard Parking's performance met four of the contract provisions, but fell short in addressing the others for several reasons:

- Understaffed exit booths. We observed cashier booth staffing levels on October 9 and October 10, 2013. Three out of the four exits did not meet established staffing guidelines. These requirements vary depending on the parking location and time of day.
- Delayed customer exits. We reviewed the customer complaint logs for September that were collected by the department and Standard Parking. Ten complaints, or 8% of 133,

were related to exiting delays. One customer reported a delay of more than 30 minutes. Standard Parking is to ensure that exit delays not exceed 5 minutes for a sustained period.

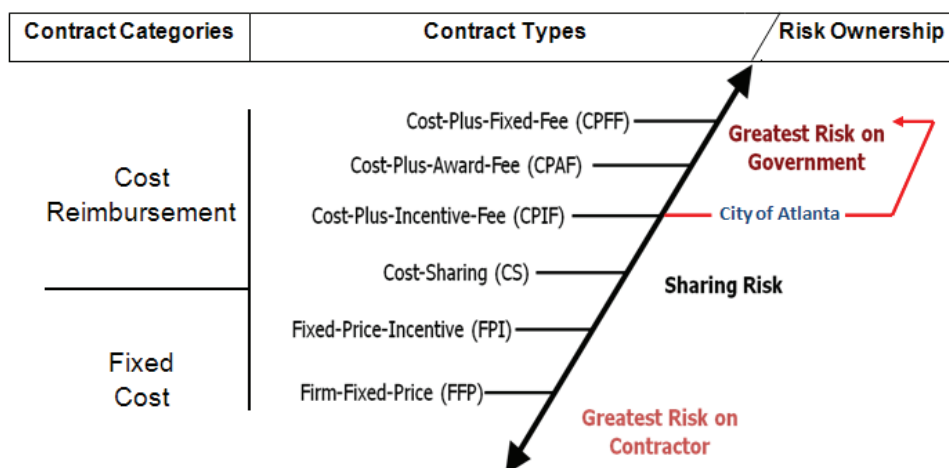
- Too much processing time. We observed the processing time for seven vehicles leaving the domestic terminal. These exits averaged a processing time of about 1 minute 1 second. Six of the seven exits lasted over the 30-second requirement.
- Unaccounted-for tickets. We reviewed the vendor's ticket accountability reports for August and September 2013 and found that unaccounted-for tickets were higher than the 0.1% limit in September. That report showed that 0.16% of the tickets issued during the month could not be accounted for after the monthly reconciliation of vehicles.
- Customer overcharges. We reviewed the customer service report for September 2013 and found that one customer complained about being overcharged. The complaint was referred to Standard Parking's audit division.

We did not test the annual parking performance review bonus provision. The department and Standard Parking agreed not to award bonuses during the contract term because of the city's budget constraints. Bonus elements cover customer service, revenue control, operating budget, operations and facility maintenance, airport goals, prompt and accurate reporting, and general management. In contrast to the contract's description of liquidated damages, the descriptions of bonus elements are vague and lack specific measurements.

Contract Management Practices Increase Risk

While the department executed a cost-plus-incentive-fee contract, which provides incentives for the vendor to reduce costs, increase revenue, and meet customer service goals, the department's decision not to exercise incentive provisions effectively changes the contract type to a "cost-plus-fixed-fee." According to federal procurement guidelines, this type of contract places the highest risk of cost overruns and poor performance on the government (see Exhibit 5).

The department bears the full cost of evaluating performance, depriving it of full contract benefits. The department incurs costs for all vendor expenses, including the time Standard Parking spends compiling reports and procedures to meet contract requirements. In some instances, the vendor compiles and submits reports for the department's review. In others, the department elects not to request reports. By not using the incentives established in the contract, even the reports that the department chooses to review generate little benefit.

Exhibit 5: Relationship between Risk and Contract Type

Source: Adapted from Air Force Materiel Command Contract Types August 2007 Presentation

We recommend that the aviation general manager exercise the contract's incentive provisions with the goal of decreasing expenses and increasing revenue. The department should evaluate incentive provisions in the contract and enhance them to save costs and meet revenue goals.

The Department of Aviation agreed with the recommendation and intends to implement it within 90 days of executing a new contract in September 2014. The department's response, including additional comments, is attached as Appendix B on pages 33-37.

Methodology

Our audit methods included:

- reviewing the contract with Standard Parking to identify verifiable contract requirements related to expenses, revenue, and performance
- interviewing city staff to identify key control activities covering the identified provisions
- assessing control design and testing the effectiveness of implemented controls
- reviewing financial and performance documentation
- testing the accuracy of reports and calculations used as controls and reviewing the vendor's policies and practices

We reviewed Standard Parking's reimbursement requests for June, July, August, and September 2013, a four-month total of \$10.7 million, and agreed that they were allowable. In March 2013, the department erroneously paid \$383 toward bonus pay, a non-reimbursable expense. The Department of Aviation recognized the error in September during the year-end close-out, and Standard Parking repaid it.

We examined the accuracy of the vendor's manually generated revenue reports and detected one error that was also detected during the department's daily reconciliation. A monthly revenue transaction report identified an understatement of \$548 in gross receipts for September 16, 2013. Revenues totaled \$245,500 on that date and nearly \$10 million for the month.

Generally, accepted government auditing standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

If you have questions you may call Amanda Noble at 404/330-6750, or you may reach me at 404/330-6804. We appreciate staff's courtesy and cooperation throughout the audit.

Cc:

Michael Geisler, Interim Chief Operating Officer, Mayor's Office
 Hans Utz, Deputy Chief Operating Officer, Mayor's Office
 Thomas Weyandt, Jr., Chief Operating Officer, Mayor's Office
 Kristin Wilson, Deputy Chief Operating Officer, Mayor's Office
 Candace Byrd, Chief of Staff, Mayor's Office
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 Dexter Chambers, Director, City Council Office of Communications
 Alfred Berry, Policy Analyst, Policy Analyst, City Utilities Committee
 Santana Kempson, Policy Analyst, City Utilities Committee
 Audit Committee

Recommendations

1. We recommend that the aviation general manager exercise the contract's incentive provisions with the goal of decreasing expenses and increasing revenue. The department should evaluate incentive provisions in the contract and enhance them to save costs and meet revenue goals.

Appendix A: Audit Findings and Analysis

T y p e	Contract Element	Control Description	City Auditor Analysis	Enforced /Not Enforced
Financial Considerations				
R	The cash drawer in each booth shall not exceed \$500.	The Department of Aviation requires Standard Parking to establish policies for the chain of custody over cash. These policies limit the amount of money cashiers can hold, and require managers to make regular pickups.	We made unannounced inspections of six cashier booths and noted that one cashier had accumulated more than \$500. We also reviewed eight days of Standard Parking's cash-pickup logs for September 1-8, 2013. During this time, managers made 254 cash pickups. The dollar amounts for 43, about 17%, were greater than \$500. The maximum amount collected was \$1,450.	Not Enforced
R	Standard Parking must develop procedures for ensuring the chain of custody for cash.	The department requires Standard Parking to establish policies to track the chain of custody of cash.	We reviewed the standard operating procedures used by Standard Parking to track the chain of custody. These include the manager's cash-control responsibilities, cashier count-out, security of the safe located in bookkeeping, access to the bookkeeping area, duties of the bookkeeper, verification and recording of cash pickups, payment logs associated with paying shortages and collected funds, making change, and money bag transfers.	Enforced
R	Two-key drop safes should be present in all cashier booths.	The department can monitor this requirement with direct observation.	We made unannounced inspections of six cashier booths and noted a two-key drop safe was present in all of them. Cashiers have one of the keys, and managers have the other.	Enforced

Type	Contract Element	Control Description	City Auditor Analysis	Enforced /Not Enforced
R	Signs must be posted at each parking entrance and exit and on each ticket, warning that anyone losing a ticket will pay a full day's fee.	The department requires signage at the entrances and exits, and a message on each ticket warning that anyone who loses it will pay a full day's fee.	We examined entrances and exits at the North, West, and South hourly and economy lots; international hourly lots, and domestic Park-Ride lots. Each entrance and exit had a sign warning that anyone losing a ticket would pay the full day's fee, but this information was not on tickets.	Partially Enforced
E	Overtime premiums should not exceed 3% a month without prior approval from the aviation general manager.	Standard Parking submits monthly reports on overtime hours and costs to the department. Standard Parking is required to inform a parking manager when overtime premiums are projected to exceed the limit.	We reviewed the overtime cost analysis reports that Standard Parking submitted for July, August and September 2013. Overtime costs remained below the contract limit of 3% for those months.	Enforced
E	Has Standard Parking submitted expenses that qualify as reimbursable?	Standard Parking must submit invoices supporting requests for reimbursement of expenses. The department reviews invoices against reimbursable and non-reimbursable expenses listed in the contract.	We reviewed Standard Parking's reimbursement requests for June, July, August, and September 2013, and agreed that they were allowable. The reimbursements for those months totaled \$10.7 million. In March 2013, the department erroneously paid \$383 toward a bonus. The agency recognized the error in September, during the year-end close-out, and Standard Parking repaid it.	Enforced
R	Has a payment from Standard Parking to the department been 30 days late?	Under Standard Parking's contract, the department can assess late fees if a payment is delinquent for 30 days.	Department staff stated that Standard Parking has not had to make a payment.	Enforced

Type	Contract Element	Control Description	City Auditor Analysis	Enforced /Not Enforced
E	Is Standard Parking's operating budget submitted annually?	Standard Parking submits an operating budget request to the department each year. The agency reviews it, and the draft budget is submitted to the aviation general manager for approval. In the budget approval letter, the manager reminds Standard Parking that it cannot exceed budgeted amounts.	We reviewed Standard Parking's proposed budget for fiscal year 2014. The aviation general manager approved the \$35 million budget request.	Enforced
R	Has Standard Parking established a commercial account at a banking institution approved by the aviation general manager?	The department requires Standard Parking to have a commercial account at a banking institution approved by the agency.	Standard Parking maintains three buffer accounts at Bank of America, which the company uses to for settling credit card payments for Visa/MasterCard, American Express, and Discover. Standard Parking transfers the payments to a departmental bank account.	Enforced
R	Are Standard Parking's commercial bank accounts used solely for airport parking revenues?	Standard Parking is required to use its bank accounts solely for airport parking revenues.	We reviewed transactions for September 2013 in the three buffer accounts. Our review indicated that Standard Parking only used the buffer accounts for holding credit card payments until approved, paying charge-backs, fees and charges prior to transferring deposits to the department's account.	Enforced

Type	Contract Element	Control Description	City Auditor Analysis	Enforced /Not Enforced
R	Is Standard Parking depositing all cash and check receipts by 2 p.m. on the next business day?	Standard Parking is required to deposit all cash and check receipts into the department's bank account by 2 p.m. on the next business day. The department reviews Standard Parking's deposits of gross receipts as part of the daily cash reconciliation process.	We reviewed the daily cash summaries and bank statements for September 2013. Standard Parking deposited cash that it has collected by 2 p.m. the next business day. Standard Parking collects money from the Pay-On-Foot stations on an irregular basis. We reviewed those collections and deposits, and determined that Standard Parking made the cash deposits by 2 p.m. the next business day.	Partially Enforced
R	Is Standard Parking using a three-part deposit slip?	The department required Standard Parking to use a three-part deposit slip for transactions. The bank and Standard Parking should each retain a slip, and the third was for the department.	The vendor now uses a single deposit slip and includes a photo copy of it in its summary report to the city.	Not Enforced
R	Is Standard Parking presenting one part of the deposit slip to the city along with a summary report on the first business day following the deposit of gross receipts?			Partially Enforced
R	Is Standard Parking aware of overages?	Standard Parking must document cash overages, and deposit this money daily.	Our review of the daily cash summaries and reports for September identified \$182 in overages. Standard Parking deposits the overage amounts with the rest of the gross receipts.	Enforced

Type	Contract Element	Control Description	City Auditor Analysis	Enforced /Not Enforced
R	Are funds resulting from overages deposited daily, and is the reason for an overage documented?		Our review of the Daily Cash Summaries that Standard Parking submitted for September identified overages. The vendor deposited the overage amounts with the rest of the gross receipts. However, the company did not provide reasons for the overages.	Partially Enforced
Robbery, Theft, or Shortage				
R	Does Standard Parking's policy manual provide controls for robbery, theft and cash shortages? What are the policies for controlling internal theft?	Standard Parking's policies must cover robbery, theft, and cash shortages.	<p>We reviewed Standard Parking's operations manual and found seven policies for robbery, theft, and shortages. These policies relate to:</p> <ul style="list-style-type: none"> • management procedures for addressing cash shortages/loss of revenue • cashier procedures for addressing cash shortages/loss of revenue • cash transport procedures • major cash-control violations in operations • revenue shortages • process used by employees to report a shortage • guidance for filling out a shortage report form 	Enforced
R	Have all gross receipts been accounted for?	Standard Parking must account for all gross receipts, and deposit cash shortages within 10 days. The department reviews Standard Parking's deposits of gross receipts as part of the daily cash reconciliation process.	Standard Parking and the department provided examples of two shortages: one for \$2 and one for \$3. Standard Parking deposited the shortage amounts, as required.	Enforced
R	Did Standard Parking replace any unaccounted-for cash within 10 days?			Enforced

Type	Contract Element	Control Description	City Auditor Analysis	Enforced /Not Enforced
R	Did Standard Parking notify the department and the Atlanta Police Department immediately after the vendor discovered there were funds unaccounted for?	The department requires Standard Parking to notify it and the Atlanta Police Department immediately after discovering that there is money unaccounted for.	During our review of Daily Cash Summaries for September 2013, we found one instance in which someone paid for parking with a counterfeit \$20 bill. Standard Parking notified the department and the Atlanta Police Department, and forwarded the counterfeit bill to police.	Enforced
R	Did Standard Parking follow up on its oral notification to the department and the APD by submitting a written notice within 24 hours?			Enforced
R	Did Standard Parking deposit cash to cover shortages into the department's bank account within 24 hours?	The department requires Standard Parking to deposit money into the agency's bank account within 24 hours to cover cash shortages.	Standard Parking requires cashiers to pay for shortages at the end of their shifts. Our review of daily cash summaries identified two shortages: one for \$2 and one for \$3. Standard Parking deposited money to cover the \$2 shortage at the end of the cashier's shift, and remedied the \$3 shortage the following day.	Enforced
Operating Reports				
P	Has Standard Parking submitted monthly maintenance reports? Do these include information on hand-held radios, PRCS equipment, lighting, entrance gates, and closed-circuit television (CCTV)?	The department makes unscheduled visits to examine parking facilities. Based on its observations, staff compiles a report on items that require maintenance. Standard Parking must submit a report on the maintenance it has done to address the findings.	We reviewed the September 2013 maintenance inspection report submitted by Standard Parking. The report included the maintenance status for Parking Revenue Control System (PRCS) equipment, and facility lighting. However, the report did not contain updates related to hand-held radios, entrance gates, and closed circuit television (CCTV). Although the report lacked all of the required contract elements, it included updates for other parking components, such as stairwells,	Partially Enforced

Type	Contract Element	Control Description	City Auditor Analysis	Enforced /Not Enforced
			decks, elevators, escalators, trash, and call boxes.	
R	Has the Certified Monthly Statement been issued before the 10 th of the month?	Standard Parking must submit a Certified Monthly Statement by the 10th of each month. The vendor may request an extension in writing before the deadline.	Standard Parking submitted the September 2013 Certified Monthly Statement late. However, Standard Parking did request an extension on October 10 that the department granted.	Enforced
R	Does Standard Parking provide a Certified Monthly Statement that covers the previous month's revenues from parking and shuttle bus operations?	The contract requires Standard Parking to submit a detailed statement of parking expenses and revenues. Details must include types of payments and parking locations. These cash amounts should reconcile with deposits made by Standard Parking.	Standard Parking's Certified Monthly Statement for September contained details on expenses, revenue, credit card reconciliations, and settlement deposits into the company's bank accounts. Standard Parking provides the department with only summary information on gross receipts.	Enforced
E	Does the Certified Monthly Statement cover the previous month's expenses for parking and shuttle bus operations?			Enforced

Type	Contract Element	Control Description	City Auditor Analysis	Enforced /Not Enforced
R	Has a reconciliation of deposits made by Standard Parking and deposits shown on the department's bank statement been submitted with the Certified Monthly Statement? The reconciliation must include deposits from credit card sales.			Enforced
R	Has Standard Parking submitted with the Certified Monthly Statement a reconciliation of monthly gross receipts captured by the Parking Revenue Control System (PRCS), gross receipts reported by operator, and deposits by lot and payment method?			Enforced
R	Have Standard Parking's deposits been reconciled with deposits shown on the department's bank statements, including a detailed reconciliation of deposits from credit card sales submitted with the Certified Monthly Statement?			Enforced
R	Does Standard Parking's Certified Monthly Statement include a report containing required data on parking activity?	Standard Parking is required to include a report on the number of vehicle entrances and exits, the number of transactions by type, average ticket price, and parking durations.	Although the Certified Monthly Statement contained no information on parking activity, some of that data is available in other monthly reports. The Ticket Accountability report tracks vehicle entries and exits, and the Revenue Analysis report has details on revenue and nonrevenue transactions and average ticket values.	Partially Enforced
R	Does the report in the Certified Monthly Statement include the number of vehicle entrances and exits?			Enforced
R	Does the report in the Certified Monthly Statement include the number of revenue and nonrevenue transactions?			Enforced

Type	Contract Element	Control Description	City Auditor Analysis	Enforced /Not Enforced
R	Does the report in the Certified Monthly Statement include the average ticket values for each parking area?		Although the Certified Monthly Statement contained no duration information, that information is available in a different monthly report.	Enforced
R	Does the report in the Certified Monthly Statement include duration information with the number of transactions per increment of rate structure?			Not Enforced
P	<p>Has Standard Parking submitted a report with the Certified Monthly Statement describing shuttle bus activity? That data should include:</p> <ul style="list-style-type: none"> • hours of operation and vehicle miles • number of passengers and a breakdown by route • number of handicapped passengers and a breakdown by route • description of maintenance tasks, total expenses and costs per bus 	The vendor is required to include a report on shuttle bus activity in its Certified Monthly Statement.	Standard Parking submits a monthly shuttle bus activity report with its Certified Monthly Statement. The report provides the total number of passengers and the number of riders per route. However, the report lacks a breakout for handicapped passengers. Information on shuttle bus hours of operation and the number of miles driven is available from the electronic system that tracks the location of shuttles. While information on maintenance tasks and costs per vehicle are absent from the shuttle bus activity report, total maintenance costs appear in the monthly summary of expenses.	Partially Enforced
R	Does Standard Parking submit a monthly report on exception transactions in its Certified Monthly Statement?	The contract requires Standard Parking to submit a monthly exception transactions report with its Certified Monthly Statement.	The department said it instructed Standard Parking to exclude details from the Certified Monthly Statement in the Exception Transactions report. Instead, the department accesses this report through the PRCS systems.	Enforced

T y p e	Contract Element	Control Description	City Auditor Analysis	Enforced /Not Enforced
R	Does Standard Parking submit a monthly report with the Certified Monthly Statement on missing parking tickets?	Standard Parking must submit a report that accounts for missing tickets with its Certified Monthly Statement.	Standard Parking submits a spreadsheet showing the number of parking tickets in stock, the average monthly ticket use, and an estimate of how long the current stock will last. The Ticket Accountability report has data on stolen tickets and tickets without validations.	Enforced
E	Does Standard Parking submit a monthly report with the Certified Monthly Statement on employee hires and separations?	The contract requires Standard Parking to submit a report detailing employee hires and separations with its Certified Monthly Statement.	This information is not submitted with the Certified Monthly Statement, but it is available in a separate report.	Not Enforced
E	Does Standard Parking submit a monthly report with the Certified Monthly Statement on reimbursable expenses?	Standard Parking is required to submit a report with its Certified Monthly Statement on normal and reimbursable expenses - recurring and nonrecurring. An itemized statement of reimbursable expenses incurred the previous month is due by the 15 th . Original invoices are due by the 10 th . Standard Parking can request deadline extensions.	The department and Standard Parking handle reimbursable expenses separately from the Certified Monthly Statement. The reimbursement process occurs more often than the monthly process outlined in the contract. The vendor submits original invoices as well as a summary of reimbursable expenses. We reviewed Standard Parking's 13 reimbursement requests for June, July, August, and September 2013.	Enforced
E	Has Standard Parking requested payment of or has the city reimbursed any non-reimbursable expenses?			Enforced
E	Has Standard Parking submitted the original invoices with the Certified Monthly Statement?			Enforced
E	Has Standard Parking submitted on, or before the 15th day of each month, itemized statements of all Reimbursable Expenses incurred during the previous calendar month?			Enforced

Type	Contract Element	Control Description	City Auditor Analysis	Enforced /Not Enforced
E	Does the Certified Monthly Statement include a report with the required elements for budget variance?	Standard Parking must submit a monthly budget variance report with its Certified Monthly Statement.	This information was not included in the Certified Monthly Statement but was covered in other reports. We reviewed the FY 2013 operations and budget report and the FY 2014 budget and expenditure reports through October. Both reports showed budget variances.	Enforced
E	Does the Certified Monthly Statement include a Net Receipts and Summary Settlement report?	Standard Parking must submit a Net Receipts and Summary Settlement report with its Certified Monthly Statement. The report should describe total net receipts (gross receipts minus reimbursable expenses) and the net amounts owed to owed to or by the city.	The Certified Monthly Statement has data on net receipts and summary settlements. The September 2013 statement that we reviewed included a Schedule of Revenue and Expenses report detailing adjusted gross revenue, operating expenses, and management fees. The report also reconciles credit card receipts and outstanding balances.	Enforced
E	Does Standard Parking include an invoice for the monthly management fee with the Certified Monthly Statement?	The contract requires Standard Parking to submit an invoice for its monthly management fee with the monthly Certified Monthly Statement.	The Certified Monthly Statement for September 2013 showed that Standard Parking received a management fee of \$34,712 that month.	Enforced
Electronic Monthly Reports				
R	Does Standard Parking submit a spreadsheet on daily revenue?	Standard Parking must turn in electronic reports on daily transactions, and credit card activities and settlements, which refers to credit card payments that are held until approved. Standard Parking must	The department has decided to receive the electronic monthly reports in paper copies instead of electronic formats which limits their usefulness. We reviewed Standard Parking's	Enforced
R	Standard Parking should submit a list of checks submitted by the department as "returned by the bank."			Enforced

Type	Contract Element	Control Description	City Auditor Analysis	Enforced /Not Enforced
R	Standard Parking should submit credit card reconciliation spreadsheets showing daily activities.	also maintain a list of checks returned to the department by the bank because of insufficient funds, and a summary of revenue and expenses categorized by budget codes.	electronic reports for September, which contained:	Enforced
R	Standard Parking is required to submit a report reconciling daily credit card activity with month-end reports from credit card processors.		<ul style="list-style-type: none"> Revenue Analysis – summaries of daily revenue Daily Credit Card Activity Reconciliation – reconciles credit card transactions with statements from credit processors and bank account activities. 	Enforced
E	Standard Parking should submit a report with a schedule of total monthly expenses, by budgeted item, to the department for reimbursement.			Enforced
E	Standard Parking should submit a monthly summary of expenses by primary budget code.		Some required information is not located in the electronic monthly reports, but is available in other reports.	Enforced
R	Standard Parking must submit a monthly summary of revenues by primary budget code.		<ul style="list-style-type: none"> Certified Monthly Statement – has an Operations Statement report for each parking area. That report lists revenues and expenses according to a detailed budget code. Checks - Standard Parking records returned checks in a monthly income summary report. <p>Standard Parking manually creates the electronic monthly reports. We reviewed the electronic monthly reports for the month of September. We compared the report information with the daily cash summaries, Standard Parking's banking accounts, and the department's banking account. In the Monthly Revenue Analysis report, there was one column</p>	Enforced

Type	Contract Element	Control Description	City Auditor Analysis	Enforced /Not Enforced
			with miscalculated summary information regarding credit card capture rates. In addition, our review indicated an understatement of \$548 in receipts for September 16, 2013.	
Software				
P	Have reports reflected minor repairs such as broken arms and ticket jams?	The Department of Aviation requires the vendor to submit a report documenting manager response time. This report also documents the occurrence of issues such as ticket jams and gate arm malfunctions as well as the action taken to resolve those issues.	We reviewed the manager response time report for the months of June 2013 and August 2013. In June and August, 44% and 41% of the issues were related to minor repairs, respectively. Among the problems were jammed ticket machines and gate malfunctions. The average manager response time for June was 2.6 minutes and for August was 3.1 minutes.	Enforced
P	Has Standard Parking trained its employees in the proper use of the PRCS?	The Department of Aviation does not routinely verify that this condition exists.	We reviewed training documentation submitted by Standard Parking for six employees who were hired between October 2012 and September 2013. Standard Parking provided signed training acknowledgments for two managers but not the four cashiers.	Partially Enforced

Type	Contract Element	Control Description	City Auditor Analysis	Enforced /Not Enforced
P	Can Standard Parking provide for the collection, distribution and storage of information, and data reconciliation; data auditing; video recording for audit purposes; license plate recognition auditing; on-line transactions, and other data inquiries?	The department requests information from Standard Parking on an as-needed basis. The agency can go to Standard Parking's on-site parking office to retrieve information.	We observed the live CCTV camera feeds for cashier lanes, Pay-On-Foot stations, entry lanes, and general parking areas. We retrieved a 30 day-old vehicle license plate record from the license plate recognition system. We reviewed historical reports covering credit card processing, ticket reconciliation, and vehicle inventory counts. In addition, we met with the contractor of the ACS System and discussed the components of data storage and user access at the airport.	Enforced
Liquidated Damages				
Note: The following section addresses the contract's provisions for assessing liquidated damages. The Department of Aviation has access to information allowing for the department to review and assess damages. However, the department does not perform reviews routinely and has chosen not to assess damages against Standard Parking. Although we did not test each control, we tested many of the contract requirements and found that where Aviation has controls, it could reduce the management fee. Since Aviation is not testing compliance with these contract elements, these elements are not enforced.				
P	Standard Parking should staff exit booths according to guidelines in the manual. The management fee may be reduced by \$100 for each hour.	The Department of Aviation does not routinely verify that this condition exists.	We conducted direct observations of staffing levels at four cashier exits on October 9 and October 10, 2013. Three out of four exits did not meet booth staffing guidelines.	Not Enforced
P	Standard Parking shall ensure that exit delays do not exceed five minutes. The management fee may be reduced by \$100 for each occurrence.	The department told us it periodically checks for five-minute delays, but there is no documentation to support its observations. The department receives a Weekend Status Report and performs customer surveys to determine whether customers are reporting delays.	We reviewed customer complaint logs from the department and Standard Parking. Ten, or 8% of the 133 complaints in September 2013, were related to exit delays. One customer reported a delay of more than 30 minutes.	Not Enforced

Type	Contract Element	Control Description	City Auditor Analysis	Enforced /Not Enforced
P	Standard Parking shall ensure that processing time does not exceed 30 seconds per vehicle.	The Department of Aviation does not routinely verify that this condition exists	We observed the processing time for seven vehicles exiting a parking facility for the domestic terminal. These exits averaged a processing time of about 1 minute 1 second. Six of the seven exits lasted more than 30 seconds.	Not Enforced
P	Standard Parking shall submit reports on time. The management fee may be reduced by \$100 for each day beyond the deadline.	The department requires Standard Parking to submit monthly reports by departmental deadlines, or provide an explanation, in writing, for the delay.	We obtained a written explanation of why the report package for September 2013 was late.	Not Enforced
P	Standard Parking must deposit gross receipts by the end of the business day. The management fee may be reduced by \$1,000 per deposit per day.	The department requires Standard Parking to deposit all cash and gross check receipts into the agency's bank account by 2 p.m. the next business day. The department can check bank statements online to confirm the deposits.	We reviewed the daily cash summaries and bank statements for September 2013 to determine whether Standard Parking made the deposits. The vendor deposited the gross receipts by the deadline. Standard Parking does not collect money daily from the Pay-On-Foot stations, although it accounts for these funds in revenue reports.	Not Enforced
P	Standard Parking shall ensure that shuttle bus routes are followed. The management fee may be reduced by \$100 per hour.	The Department of Aviation does not routinely verify that this condition exists. However, the department may access reports from the Zonar reporting system showing the shuttle bus routes.	We conducted unannounced observations of shuttle bus operations on November 13, 2013, and found that shuttle buses stuck to their routes.	Not Enforced

Type	Contract Element	Control Description	City Auditor Analysis	Enforced /Not Enforced
P	Standard Parking shall ensure that shuttle bus headways are maintained. The management fee may be reduced by \$100 per hour.	The Department of Aviation does not routinely verify that this condition exists. However, the department may access reports from the Zonar reporting system showing the shuttle bus trips.	<p>We calculated Standard Parking's median shuttle bus headways for the domestic and international terminals by reviewing September logs. A headway is the time interval between two vehicles traveling in the same direction on the same route. The median headway for both terminals met the contract requirements.</p> <p>At the domestic terminal, a new bus arrived before the previous one departed in about 64% (69 of 107) of the cases. Nearly 15% (16 out of 107) of the riders waited more than three minutes for the next bus. The average headway was six seconds.</p> <p>At the international terminal, a new bus arrived before the previous one departed in 86% (91/106) of cases. More than 6% (7/106) of the time, riders waited more than three minutes for the next bus.</p>	Not Enforced
P	Standard Parking shall ensure that shuttle bus trunk-to-trunk service in a long-term parking facility, occurs within three minutes. Trunk-to-trunk service is measured by the time it takes a motorist to transfer luggage from his vehicle to the time the luggage is placed on the bus. The management fee may be reduced by \$100 per hour.	The Department of Aviation does not routinely verify that this condition exists	Not Tested	Not Enforced
P	If tickets are missing, Standard Parking must justify that the problem was the result of a system failure. The management fee may be reduced by \$20 per missing ticket.	The department requires Standard Parking to submit a monthly ticket accountability report.	Not Tested	Not Enforced

Type	Contract Element	Control Description	City Auditor Analysis	Enforced /Not Enforced
P	Standard Parking shall ensure that tickets not accounted for in the monthly reconciliation do not exceed 0.05%, 0.075%, or 0.1% of total tickets. The penalties are \$10 per ticket, \$15 per ticket, or \$20 per ticket, respectively.	The department requires Standard Parking to submit a monthly ticket accountability report.	We reviewed the vendor's ticket accountability report for August and September 2013, and determined that Standard Parking exceeded the limits for tickets not-accounted-for in September. The September report showed that Standard Parking could not account for 0.16% of the tickets issued during the month after the monthly reconciliation of vehicles. The department could have reduced the September 2013 \$34,712 management fee by \$10,680.	Not Enforced
P	Standard Parking should not have more than two unexplained differences between the amount collected by the vendor and the amount deposited per month. The management fee may be reduced \$200 per violation.	The department conducts a daily and monthly reconciliation process.	We reviewed daily cash summaries, monthly revenue reports, and the parking account deposits for the month of September 2013. The reports contained explanations for the differences in the amount collected by Standard Parking and the amount deposited.	Not Enforced
P	Standard Parking should not have more than six undetected cashier accuracy errors in one month. The management fee may be reduced by \$500 per month.	The Department of Aviation does not routinely verify that this condition exists	Not Tested	Not Enforced
P	The department can reduce Standard Parking's management fee by \$100 each day that a shuttle bus remains inoperative due to lack of maintenance.	The Department of Aviation does not routinely verify that this condition exists However, the department may review the Monthly Vehicle History Report to determine the shuttle bus maintenance expenditures.	Not Tested	Not Enforced

Type	Contract Element	Control Description	City Auditor Analysis	Enforced /Not Enforced
P	Standard Parking should not accept a returned check or canceled credit card after the department has warned the vendor about a customer's history of bad payments. The management fee may be reduced by \$50 per incident.	The department does not accept checks. The payment stations deny expired credit cards.	Not Tested	Not Enforced
P	Standard Parking must not overcharge a patron. The management fee may be reduced \$50 per incident, and there is a higher fee if the overcharge is more than \$50.	The department can verify patron overcharges via the Daily Cash Summary Report.	We reviewed the customer service report for September 2013, and found that one customer complained about being overcharged. The complaint was referred to Standard Parking's audit division.	Not Enforced
P	Standard Parking shall ensure that recurring failures reported by the city's secret shopping service contractor do not occur. The management fee may be reduced by \$50 per occurrence.	The department receives a copy of the monthly Secret Shop report.	Not Tested	Not Enforced
Complaints				
P	Did Standard Parking promptly investigate and resolve all complaints about customer service, and claims of vehicle losses or damages?	Standard Parking must submit a monthly customer service report that includes a description of the comment, complaint, or issue; an incident date; the name of the person making the comment or complaint; the method of communication; the action taken by the company; the status of the issue; and the resolution date.	We reviewed Standard Parking's September 2013 customer service report and found the vendor promptly investigated and resolved complaints about service. More than 50% of the complaints were resolved within three days, and nearly 60% were resolved within seven days.	Enforced

Type	Contract Element	Control Description	City Auditor Analysis	Enforced /Not Enforced
P	Has Standard Parking documented its investigations of claims or complaints?		After reviewing Standard Parking's September 2013 customer service report, we found that it had documented the action taken to resolve complaints.	Enforced
P	Has Standard Parking documented written responses addressing customer service complaints?	Standard Parking is required to submit a monthly customer service report.	We selected five customer complaints during September 2013, and reviewed Standard Parking's written responses. Standard Parking responded in writing to four customer service complaints, and e-mailed one response.	Enforced
P	Has Standard Parking documented customer complaints in a database?	The department is aware that Standard Parking maintains a database for tracking customer complaints and generating reports.	Standard Parking tracks customer complaints and generates reports in a Filemaker Pro database.	Enforced
P	Has Standard Parking submitted copies of notifications or claims of damage or personal injury to the aviation general manager within 24 hours of receipt?	Standard Parking must submit a monthly customer service report that has a description of the comment, complaint, or issue; an incident date; the name of the person making the comment or complaint; the method of communication; the action taken by Standard Parking; the status of the issue; and the resolution date.	Standard Parking's customer service report for September 2013 contained no reports of damage or personal injuries. We reviewed news articles for possible incidences, and found one personal injury incident report involving an escalator on a concourse. This incident was unrelated to Standard Parking.	Enforced
Compliments				
P	Has Standard Parking documented customer compliments in a database?	The department is aware that Standard Parking maintains a database for tracking customer compliments and generating reports.	Standard Parking tracks customer complaints and generates reports in a Filemaker Pro database.	Enforced

T y p e	Contract Element	Control Description	City Auditor Analysis	Enforced /Not Enforced
Operator Bonus Program				
P	Has Standard Parking submitted supporting documentation for its own awards and performance program?	The contract provides for bonus payments if appropriate and financially feasible. Although the contract provides for bonus payments, the department and Standard Parking agreed that due to the city's budget constraints, the department would not issue bonuses during the contract.	The department chose not to award bonuses during the contract term. Because the department was not testing compliance with bonus provisions in the contract, those elements were unenforced. Standard Parking gave us a summary of performance criteria that the department could use to measure bonus potential, if the bonus program were activated. Under one criterion, Standard Parking would provide additional services, and maintain customer service levels while operating with a reduced budget.	Not Enforced
Employee Screening				
P	Has Standard Parking drug tested its HJIA employees?	The department requires Standard Parking to do drug-testing and background checks on new hires before their start dates.	We randomly selected 20 employees out of 117 hired by Standard Parking between October 2012 and September 2013. The vendor performed drug and background checks on all of these new hires prior to their start dates. The department reviews invoices for screening and testing.	Enforced
P	Does Standard Parking do drug testing and background checks on new hires before their start date?			Enforced
Shuttles				
P	Standard Parking is to ensure that no patron waits more than 3 minutes on the lot before pickup.	The department does not routinely verify that this condition exists. However, the department may access reports showing the shuttle bus trips and performs customer surveys to determine whether customers are reporting delays.	We observed the shuttle bus operations at Park-Ride Lot C. We pulled into the lot and within 2 minutes, a shuttle arrived at our vehicle. We also saw four more shuttles arrive at the lot on an average	Not Enforced

Type	Contract Element	Control Description	City Auditor Analysis	Enforced /Not Enforced
			of 2.3 minutes after the previous shuttle arrived.	
P	Standard Parking shall ensure that no rider waits more than five minutes to leave the lot once aboard the bus.	The department does not routinely verify that this condition exists. However, the department may access reports showing the shuttle bus trips and performs customer surveys to determine whether customers are reporting delays.	We observed six shuttles depart at intervals shorter than five minutes.	Not Enforced
P	Standard Parking must ensure that no one waits for more than five minutes for a bus to arrive at a terminal.	Standard Parking logs the arrival and departure times of shuttles. However, neither it nor the department tracks and reports on how long a person waits at a terminal bus stop.	Standard Parking's median wait times meet contract requirements that no one wait more than five minutes for a bus at a terminal. Using the logs, we calculated median wait times of three minutes and five minutes at the international and domestic terminals, respectively.	Enforced

Type	Contract Element	Control Description	City Auditor Analysis	Enforced /Not Enforced
P	Standard Parking shall ensure that there is no more than a three-minute interval between a bus's departure from a terminal bus stop and the arrival of the next bus.	Standard Parking logs the arrival and departure times of shuttles. However, neither the vendor nor the Department of Aviation tracks and reports on patron's wait time at the terminal pick up point.	<p>We calculated Standard Parking's median shuttle bus headway for the domestic and international terminals by reviewing the September shuttle bus logs. We found that the average headway at both terminals met the contract requirements.</p> <p>At the domestic terminal, a new bus arrived before the previous one departed in 64% (69/107) of the cases. Fifteen percent (16/107) of the time, riders waited more than three minutes for the next bus. The average headway was six seconds.</p> <p>At the international terminal, a new bus arrived before the previous one departed in 86% (91/106) of the cases. Nearly 7% (7/106) of the time, people waited more than three minutes for the next bus.</p>	Not Enforced
P	Standard Parking shall ensure that clear, visible signage is posted on the exterior of shuttles.	The department required the vendor to maintain signage such as bus destinations on the exterior of shuttle buses.	We conducted unannounced observations of shuttle bus operations on November 13, 2013. We observed signs on the exteriors and interiors of the shuttles. Although we noted that the exterior vehicle signage did not always match the destination of the vehicle, we observed clear signage around the bus stop and passenger waiting areas describing which shuttles to take for each indented destination. Further, we found that the routes matched the building signs.	Enforced
P	Standard Parking shall ensure that signage for the shuttle interiors is legible, indicating driver's name, Operator's name, and telephone number.			Enforced

Type	Contract Element	Control Description	City Auditor Analysis	Enforced /Not Enforced
Operations and Procedures Manual				
P	<p>Standard Parking should provide the department with an Operations and Procedures manual that includes:</p> <ul style="list-style-type: none"> • Company mission statement • Operational overview • Organizational chart • Staffing chart • Position descriptions • Personnel training and policies • Primary operating procedures for PRCS; revenue collection and control; valet and employee parking; shuttle bus operations, routes and dispatching; supplies and inventories; towing and impoundments • Administrative reports • Financial, auditing, and accounting procedures • Home office information • Facility security • Vehicle maintenance • Emergency and safety procedures • Other operating procedures 	<p>The department periodically meets with Standard Parking to review and approve revisions to the manual.</p>	<p>The operations manual includes all of the required elements except:</p> <ul style="list-style-type: none"> • Company mission statement • Operational overview • Organizational chart • Staffing chart • Position descriptions • Valet parking procedures (Standard Parking does not provide valet services.) <p>Although Standard Parking excluded the first five requirements in the operations manual, the vendor documented these, and provided copies of the documents to the audit team on November 4, 2013.</p>	Partially Enforced
P	<p>Standard Parking shall ensure that the Operations and Procedures manual is reviewed at least annually.</p>	<p>The department periodically meets with Standard Parking to review and approve revisions to the manual.</p>	<p>The department said it and Standard Parking review and revise the manual, if needed, more frequently than once a year. We reviewed the most recent version and found that revisions were made to the vehicle procedures section. We found that ten of thirteen sections of the manual were updated in 2012 or 2013.</p>	Enforced

Appendix B: Management Response to Audit Recommendation and Additional Comments

Report # 13.05	Report Title: Department of Aviation – Airport Parking Contract	Date: 5/28/2014
Recommendation Responses – Aviation General Manager		
Rec. #1	<p>We recommend that the aviation general manager exercise the contract's incentive provisions with the goal of decreasing expenses and increasing revenue. The department should evaluate incentive provisions in the contract and enhance them to reduce costs and meet revenue goals.</p>	<p>The Department of Aviation will make a concerted effort to comply with this finding.</p>
<p><u>Proposed Action:</u></p> <p><u>Implementation Timeframe:</u></p> <p><u>Responsible Person:</u></p>		<p>The Department of Aviation takes its fiscal responsibility seriously and will exercise due diligence to further strengthen the applicable incentive provisions in the contract to maximize the airport parking potential revenue, as applicable.</p> <p>The Parking Operation Management Services Contract is scheduled to end at midnight on September 30, 2014. In view of this, the Department of Aviation will make a concerted effort to develop additional performance metrics to satisfy the incentive provisions set forth in the contract agreement 90 days from the execution of the contract.</p> <p>New Management Analyst position and Management</p>

Appendix B Continued: Management Response to Audit Recommendation and Additional Comments

PAGE	TYPE	Contract Element	Control Description	City Auditor Analysis	Enforced/ Not Enforced	Department of Aviation Comment
23		Liquidated Damages Note: The following section addresses the contract's provisions for assessing liquidated damages. The Department of Aviation has access to information allowing for the department to review and assess damages. However, the department does not perform reviews routinely and has chosen not to assess damages against Standard Parking. Although we did not test each control, we tested many of the contract requirements and found that where Aviation has controls, it could reduce the management fee. Since Aviation is not testing compliance with these contract elements, these elements are not enforced.				The Department of Aviation respectfully request that Contract Element items Not Tested are not reflected as 'Not Enforced' without supporting documentation or observation to support finding.
24	P	Standard Parking must deposit gross receipts by the end of the business day. The management fee may be reduced by \$1,000 per deposit per day.	The department requires Standard Parking to deposit all cash and gross check receipts into the agency's bank account by 2 p.m. the next business day. The department checks bank statements online to confirm the deposits.	We reviewed the daily cash summaries and bank statements for September 2013 to determine whether Standard Parking made the deposits. The vendor deposited the gross receipts by the deadline. Standard Parking does not collect money daily from the Pay-On-Foot stations, although it accounts for these funds in revenue reports.	Not Enforced	Removed word "can" and added a "s" to the word check
24	P	Standard Parking shall submit reports on time. The management fee may be reduced by \$100 for each day beyond the deadline.	The department requires Standard Parking to submit monthly reports by departmental deadlines, or provide an explanation, in writing, for the delay.	We obtained a written explanation of why the report package for September 2013 was late.	Not Enforced	We contend that based upon the audit observations no violations were observed, we respectfully disagree with the contract element finding of "Not Enforced".
24	P	Standard Parking shall ensure that shuttle bus routes are followed. The management fee may be reduced by \$100 per hour.	The Department of Aviation does not routinely verify that this condition exists. However, the department may access reports from the Zonar reporting system showing the	We conducted unannounced observations of shuttle bus operations on November 13, 2013, and found that shuttle buses stuck to their routes.	Not Enforced	The Zonar system utilized to track our shuttle buses has proven to be an effective tool to track and ensure compliance to the established bus routes.

PAGE	TYPE	Contract Element	Control Description	City Auditor Analysis	Enforced/ Not Enforced	Department of Aviation Comment
			shuttle bus routes.			We contend that based upon the audit observations, no violations were observed, we respectfully disagree with the contract element finding of "Not Enforced".
25	P	Standard Parking shall ensure that shuttle bus trunk-to-trunk service in a long-term parking facility, occurs within three minutes. Trunk-to-trunk service is measured by the time it takes a motorist to transfer luggage from his vehicle to the time the luggage is placed on the bus. The management fee may be reduced by \$100 per hour.	The Department of Aviation does not routinely verify that this condition exists	Not Tested	Not Enforced	The Department of Aviation conducts random observations to ensure compliance, as well, as utilize customer feedback via surveys and secret shops, which are conducted daily. Given the fact no violations were observed or tested, we respectfully disagree with the noted finding as not enforced.
25	P	If tickets are missing, Standard Parking must justify that the problem was the result of a system failure. The management fee may be reduced by \$20 per missing ticket.	The department requires Standard Parking to submit a monthly ticket accountability report.	Not Tested	Not Enforced	We respectfully request that Contract Element items Not Tested are not reflected as 'Not Enforced' without supporting documentation or observation to support finding.
26	P	Standard Parking shall ensure that tickets not accounted for in the monthly reconciliation do not exceed 0.05%, 0.075%, or 0.1% of total tickets. The	The department requires Standard Parking to submit a monthly ticket accountability report, which is submitted and reviewed.	We reviewed the vendor's ticket accountability report for August and September 2013, and determined that Standard Parking exceeded the limits for tickets not-accounted-for in	Not Enforced	Added "which is submitted and reviewed" to the end of Control Description statement.

PAGE	TYPE	Contract Element	Control Description	City Auditor Analysis	Enforced/ Not Enforced	Department of Aviation Comment
		penalties are \$10 per ticket, \$15 per ticket, or \$20 per ticket, respectively.		September. The September report showed that Standard Parking could not account for 0.16% of the tickets issued during the month after the monthly reconciliation of vehicles. The department could have reduced the September 2013 \$34,712 management fee by \$10,680.		
26	P	Standard Parking should not have more than two unexplained differences between the amount collected by the vendor and the amount deposited per month. The management fee may be reduced \$200 per violation.	The department conducts a daily and monthly reconciliation process.	We reviewed daily cash summaries, monthly revenue reports, and the parking account deposits for the month of September 2013. The reports contained explanations for the differences in the amount collected by Standard Parking and the amount deposited.	Not Enforced	We contend that based upon the audit observations, no violations were observed, we respectfully disagree with the contract element finding of "Not Enforced".
26	P	Standard Parking should not have more than six undetected cashier accuracy errors in one month. The management fee may be reduced by \$500 per month.	The Department of Aviation does not routinely verify that this condition exists	Not Tested	Not Enforced	We respectfully request that Contract Element items Not Tested are not reflected as 'Not Enforced' without supporting documentation or observation to support finding.
26	P	The department can reduce Standard Parking's management fee by \$100 each day that a shuttle bus remains inoperative due to lack of maintenance.	The Department of Aviation does not routinely verify that this condition exists However, the department may review the Monthly Vehicle History Report to determine the shuttle bus maintenance expenditures.	Not Tested	Not Enforced	We respectfully request that Contract Element items Not Tested are not reflected as 'Not Enforced' without supporting documentation or observation to support finding.

PAGE	TYPE	Contract Element	Control Description	City Auditor Analysis	Enforced/ Not Enforced	Department of Aviation Comment
27	P	Standard Parking should not accept a returned check or canceled credit card after the department has warned the vendor about a customer's history of bad payments. The management fee may be reduced by \$50 per incident.	The department does not accept checks. The payment stations deny expired credit cards.	Not Tested	Not Enforced	We respectfully request that Contract Element items Not Tested are not reflected as 'Not Enforced' without supporting documentation or observation to support finding.
27	P	Standard Parking shall ensure that recurring failures reported by the city's secret shopping service contractor do not occur. The management fee may be reduced by \$50 per occurrence.	The department receives a copy of the monthly Secret Shop report.	Not Tested	Not Enforced	The Secret Shop performance for all categories during the audit period represented an overall total of 95%, which clearly represent consistent high performance and speaks to this finding. We respectfully request that Contract Element items Not Tested are not reflected as 'Not Enforced' without supporting documentation or observation to support finding.
Shuttles						
29	P	Standard Parking is to ensure that no patron waits more than 3 minutes on the lot before pickup.	The department does not routinely verify that this condition exists. However, the department may access reports showing the shuttle bus trips and performs customer surveys to determine whether customers are reporting delays.	We observed the shuttle bus operations at Park-Ride Lot C. We pulled into the lot and within 2 minutes, a shuttle arrived at our vehicle. We also saw four more shuttles arrive at the lot on an average of 2.3 minutes	Not Enforced	We contend that based upon the audit observations, no violations were observed, we respectfully disagree with the contract element finding of "Not Enforced".

PAGE	TYPE	Contract Element	Control Description	City Auditor Analysis	Enforced/ Not Enforced	Department of Aviation Comment
				after the previous shuttle arrived.		
30	P	Standard Parking shall ensure that no rider waits more than five minutes to leave the lot once aboard the bus.	The department does not routinely verify that this condition exists. However, the department may access reports showing the shuttle bus trips and performs customer surveys to determine whether customers are reporting delays.	We observed six shuttles depart at intervals shorter than five minutes.	Not Enforced	We contend that based upon the audit observations, no violations were observed, we respectfully disagree with the contract element finding of "Not Enforced".

**AN ORDINANCE
BY COUNCILMEMBER FELICIA MOORE**

**AN ORDINANCE AUTHORIZING THE MAYOR OR HIS DESIGNEE TO INSTALL A
NO RIGHT TURN SIGN ON HOLMES FACING THE DRIVEWAY OF 1667 HOWELL
MILL ROAD; AND FOR OTHER PURPOSES.**

WHEREAS, when 166 Howell Mill Road site was developed for an auto parts store, the NPU recommended right turn restriction for vehicles leaving the store in order to minimize the amount of cut through traffic on Holmes Street which is a residential street;

WHEREAS, the installation of the right turn restriction sign located on Holmes Street, NW near Howell Mill Road, NW will enhance the safety of residents of Homes Street by restricting commercial cut through traffic .

**NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF
ATLANTA** as follows:

SECTION 1: The Mayor or his designee is authorized to install NO RIGHT TURN signage at the driveway of 166 Howell Mill Road on Holmes Street.

SECTION 2: That all ordinances or parts of ordinances in conflict herewith are hereby waived for the purpose of this Ordinance and only to the extent of the conflict

First Reading

Committee _____
 Date _____
 Chair _____
 Referred To _____

FINAL COUNCIL ACTION

☐ 2nd ☐ 1st & 2nd ☐ 3rd

Readings

☐ Consent ☐ V Vote ☐ RC Vote

AN ORDINANCE BY:
 FELICIA A. MOORE *Felicia A. Moore*

AN ORDINANCE AUTHORIZING THE
 MAYOR OR HIS DESIGNEE TO
 INSTALL A NO RIGHT TURN SIGN ON
 HOLMES FACING THE DRIVEWAY OF
 1667 HOWELL MILL ROAD; AND FOR
 OTHER PURPOSES.

☐ **CONSENT REFER**

☐ **REGULAR REPORT REFER**

☐ **ADVERTISE & REFER**

☐ **1ST ADOPT 2ND READ & REFER**

☒ **PERSONAL PAPER REFER**

Date Referred: 7/21/14

Referred To: Transportation

Date Referred: _____

Referred To: _____

Date Referred: _____

Referred To: _____

Committee	Committee
Date	Date
Chair	Chair
Action Fav, Adv, Hold (see rev. side) Other	Action Fav, Adv, Hold (see rev. side) Other
Members	Members
Refer To	Refer To

MAYOR'S ACTION